

Application

JOB CREATION APPLICATION

Idaho Community Development Block Grant

March 16, 2009

Payette River Green Energy, LLC



Submitted by: **Gem County**
Lan Smith, Chairman

Prepared by:

Shawn Charters Consulting

139 S. Commercial, Emmett, ID 83617 . 208-741-1113

March 16, 2009

Don Dietrich, Director
Idaho Department of Commerce
P.O. Box 83720
Boise, ID 83720

RE: Idaho Community Development Block Grant Application
Payette River Green Energy LLC Job Creation Project

Dear Mr. Dietrich:

Gem County respectfully submits this application for an Idaho Community Development Block Grant.

This application is for \$500,000 in ICDBG funds to construct a railroad siding, extension of water and sewer lines and roadway improvements. The successful completion of this project is necessary to bring development and jobs into Gem County. The immediate need for this project is required by the Payette River Green Energy LLC who has purchased 48 acres from Gem County adjacent to the Shadow Butte Industrial Park and will create a minimum of 52 new jobs for the community.

Gem County and Shadow Butte Development Corporation is committing \$620,000 in matching funds to this much needed project in addition to over \$11,000,000 of private investment by Payette River Green Energy LLC.

Gem County appreciates the opportunity to present this ICDBG application and your support of our grant request.

Sincerely,

Lan Smith
Chairman, Gem County Commissioners

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- c. Affidavit of Publication
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B. Grant Administration Procurement

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- a. Fair Housing Resolution
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D. Area Maps

- a. Vicinity Map
- b. Site Map
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E. Cost Estimates

- a. Project Cost Estimate
- b. Real Estate Sales Agreement

F. Payette River Green Energy LLC Business Information

- a. Grant Assistance Agreement
- b. Job Documentation Form

G. Letters of Support

IV. ICDBG Application Information Form

Applicant: Gem County Chief Elected Official: Lan Smith, Chairman
Address: 415 East Main, Emmett, ID 83617 Phone: 208-365-4561

Sub recipient (if applicable): NA Chief Elected Official: _____
Address: _____ Phone: _____

Application Prepared by Shawn Charters Consulting Phone: 208-741-1113
Address: 139 S. Commercial, Emmett, ID 83617

Architect/Engineer/Planner: Forsgren Engineering Phone: 208-342-3144
Address: 415 South 4th Street, Boise, ID 83702

NATIONAL OBJECTIVE (MARK ONE)

☐ LMI Area ☐ LMI Clientele
☒ LMI Jobs ☐ Slum & Blight
☐ Imminent Threat

PROJECT TYPE (MARK ONE)

☐ Public Facility/ Housing ☐ Community Center
☒ Economic Development ☐ Senior Center
☐ Imminent Threat ☐ Other

PROJECT POPULATION TO BENEFIT (PERSONS): (Census/Survey/Clients/Jobs)

TOTAL # TO BENEFIT: 15,181 Gem County Pop
6003 LMI residents in Gem County

TOTAL # LMI TO BENEFIT: 27+ (51% of 52 jobs)

% LMI TO BENEFIT: 51% +

% MINORITY POPULATION: 7.2%

PROJECT DESCRIPTION: This application is for a \$500,000 ICDBG job creation grant that will be used to construct and install railroad siding, extension of utilities and road construction so that Payette River Green Energy LLC can create a minimum of 52 new jobs that will be available to LMI residents from the Community.

SOURCE	AMOUNT	DATE APPLICATION SUBMITTED	RESERVED/ CONDITIONAL AWARD	FUNDS COMMITTED/ CONTRACT AWARD DATE	DOCUMENTATION IN APPENDIX ***
ICDBG	500,000				
Local Cash	600,000			3/10/09	E
Local Loan*	20,000				
Local In-Kind**					
USDA-RD Grant					
Private Cash (SBDC)	100,000				
State Grant					
Private In-Kind	2,000				
Private Investment	490,200				
Other (identify)					
TOTAL PROJECT FINANCING	1,712,200				

* Identify Loan Source(s) NA Date Bond or Necessary and Ordinary Passed NA

**Describe In-Kind match by type (i.e. materials, labor, waived fees, land value) and amount.

***Identify which Appendix corresponding documentation is in. Documentation should be a letter from the appropriate source.

V. EAC PAGE:

This proposal presents an excellent opportunity for the Idaho Department of Commerce and the Governor's Economic Advisory Council to help Gem County support the expansion of Payette River Green Energy LLC (a spin off business of Savannah Pacific) to Idaho.

Gem County has been aggressively pursuing economic development investment strategies following the closure of the Boise Cascade mill in June of 2001. Some of the benefits created through support of this project include:

- Payette River Green Energy has signed a Grant Assistance Agreement for 52 FTE jobs, however they estimate that they will create additional jobs upon project build out. The jobs listed are only direct jobs from this project. We anticipate a number of additional jobs needed for transportation and logging contractors to supply raw material and to move both raw and finished products.
- The proposed investment in public infrastructure will support private investment that will create high value economic return to the community and Gem County. This expansion will attract family wage jobs to an area that has historically struggled with economic distress. This type of investment is also beneficial to the local tax base.
- This project will take advantage of several converging elements occurring in Southwest Idaho. Over the last 10 years 10 sawmills have been shut down in the area creating an inability to do Timber Stand Improvement because there is no market for the small logs and forest residue. The forest landowners need an outlet for small logs and forest residue as the area moves toward a 'no burn' goal and improved forest health.
- The project takes a systematic and scalable approach with new and progressive technologies for wood utilization. The first phase is a new approach toward wood chip production that will use previously untapped species to further enhance complete residue utilization. The chip plant will produce 400 Tons of chips per day and 106,000 Tons of chips per year. This plant will be expanded to provide for a new technology pellet plant and a Co-Generation facility; both are in the planning phase and hope to be operational by early 2010.
- The project is a result of a 3 year due diligence effort. This effort identified the area and the technologies to utilize virtually every element of forest residue and logs that would come off each acre of thinnings and stand improvement.
- The project is ready to proceed immediately. Property has been secured in Emmett, Idaho that has rail access and they have entered into a partnership with Gem County on the property and the project.
- PRGE will be investing \$11,000,000 into Gem County.

With support from the Idaho Department of Commerce, Gem County and Payette River Green Energy can take a strong step forward to solidify and grow the economy of this distressed area.

VI. **Threshold Criteria**

A. **ELIGIBLE APPLICANT:**

The applicant is a City ☐ The applicant is a County ☒

B. **ELIGIBLE ACTIVITIES:**

The proposed project includes constructing public infrastructure improvements that will enable private business to create job opportunities. The activities are eligible under ICDBG Section II, P, Economic Development Activities.

C. **NATIONAL OBJECTIVE:** Complete only one of the following that corresponds to the National Objective to be met with the project.

C.4. Low and Moderate Income Job Creation:

Gem County's proposed project entails infrastructure improvements that will allow Payette River Green Energy LLC to construct mill and create a minimum of 52 new positions with a minimum 51% to be made available to low-moderate income persons. Gem County claims eligibility under Job Creation or Retention Activity, as stated in Section V, A, 4, "It must create or retain permanent jobs that are filled by at least 51% low-moderate-income individuals. It is estimated that well over 51% of the jobs created will be filled with LMI residents.

D. **CITIZEN PARTICIPATION:**

A copy of the plan, public notice, affidavit of publication, and meeting minutes are found in **Attachment A**.

A. Citizen Participation Plan: Gem County has adopted a Citizen Participation Plan and stands by its commitment to comply with the Plan as provided in **Attachment A**.

B. The notice of public hearing was published on March 11, 2009 with the public hearing held at 9:00 a.m. on March 16, 2009, at the Gem County Courthouse in Emmett, Idaho.

Date of Notice: March 11, 2009 Date of Hearing: March 16, 2009

E. **STATEWIDE GOALS AND STRATEGIES:**

This project meets the statewide goal of expanding economic opportunities by creating jobs that will primarily benefit low and moderate income persons. These new jobs will provide living wages for area residents of Gem County.

F. ADMINISTRATIVE CAPACITY:

Gem County does not have adequate staff available to administer the Community Development Block Grant program. Gem County has sent out an RFP for Administrative Services. Responses are due April 3rd. Responses will be ranked and a Certified Grant Administrator will be hired for the Project. Shawn Charters, a Certified Grant Administrator has donated her grant writing services to the project. Ms. Charters is a “Certified Grant Administrator” with over 20 years experience administering ICDBG and RCBG grants.

Over the past few years Gem County has been the recipient of both Idaho Community Development Block Grants and Rural Community Block Grant Funding and has successfully managed and closed out the projects with no monitoring findings.

G. FAIR HOUSING:

Gem County has adopted the Fair Housing Resolution and a Summary of the Resolution was published on February 25, 2009. The Summary of the Fair Housing Resolution can be found in **Attachment C**.

VII. PROGRAM INCOME:

No program income is expected to be generated from this project.

VIII. GENERAL PROJECT DESCRIPTION:

A. Community Description:

The project area is Gem County, Idaho. Gem County, located in Southwestern Idaho, has a population base of 15,181. The county is predominantly resource-based with its largest private-industry employer, being the Boise Cascade lumber mill. On June 1, 2001, the Boise Cascade mill closed permanently, laying-off 275 family wage earners.

In response to the lay-offs and corresponding increase in the local unemployment rate, the Gem County Commissioners chose to pursue the development of a local industrial park to encourage job creation through providing sites and services for the location and expansion of light-industrial based businesses. Gem County owned 60 acres of property that was being utilized as pasture. EDA and RCBG grant funding was awarded and the Shadow Butte Industrial Park Project was constructed. The SBDC Industrial Park consist of 22 lots ranging in size from 1 acre to 17 acres. To date 17 of the 22 lots have been purchased by businesses that are being created or expanding their existing operations. Two businesses have begun construction of their facilities and will be creating 15 jobs upon start-up. There are only five lots available for purchase, a 1 acre lot, a 6 acre lot, a 2 acre lot and 2 four acre lots.

The Industrial Park is located along Highway 52 at Union Road, approximately two miles outside the City of Emmett and is adjacent to the Unimin Sand Plant, a heavy industrial

operation which remains the primary customer for the Union Pacific Railroad in Gem County.

B. Community Needs Assessment:

Facilities & Infrastructure	Poor	Fair	Good	Previously ICDBG funded
Water			NA	
Sewer			NA	
Electrical			X	
Fire			X	X Ola
Hospitals			X	
Housing			X	
Roads		X		
Railroads			X	
Airport		X		
Broadband			X	
Senior Center		X		
Community Center	X			
Community Recreation Facilities			X	
Employment Opportunities	X			
Other				

In June, 2001, the U.S. Dept. of Commerce Economic Development Administration (EDA) approved a “Four-County” West-Central Highland Economic Adjustment Strategy on behalf of Gem, Valley, Washington and Adams Counties, Idaho. These counties had suffered severe downturns in their resource-based economies. Gem and Valley Counties experienced closures of their primary employer, the Boise Cascade mill sites located in Emmett and Cascade.

As part of its Economic Adjustment Strategy focus, Gem County chose to pursue strategies towards the development of an industrial park site. Through the Economic Adjustment Strategy process, a number of alternatives were investigated and several pursued. The most successful strategy implemented to date, was the formation of a local development corporation. Shadow Butte Development Corporation (SBDC) was formed following an exploratory trip to Jerome, ID, sponsored by the Idaho Dept. of Commerce and the Jerome Development Corporation. SBDC formed as a non-profit corporation with a board of directors of local business people. SBDC works in conjunction with both the City of Emmett and the County of Gem County.

Gem County with the help of Shadow Butte Development Corporation (SBDC), EDA and the Idaho Department of Commerce has developed the Shadow Butte Industrial Park Project. Since the completion of the Industrial Park Project, SBDC and Gem County have been working diligently to attract new business to the Community as well as assist existing businesses to expand. Savannah Pacific, an Engineered Wood Products Manufacturer from Molalla, Oregon has decided to expand their operations to Emmett.

The business has agreed to purchase 48 acres from Gem County to construct their new facility. The Idaho Corporation will be called Payette River Green Energy, LLC. The property borders the SBDC Industrial Park and will be utilizing the utilities, water and sewer infrastructure that was recently completed. The critical component to Payette River Green Energy decision to locate in Gem County was the proximity of rail access.

The Idaho Northern and Pacific Railroad Company (**INPR**), is a 210 mile property composed of four former UPRR branch lines operating in southwestern Idaho and northeastern Oregon. The INPR serves and switches many industrial customers around the Boise area. Shipments are predominately forest products, agricultural products and chemicals. The INPR also operates a tourist train, the Thunder Mountain Line, on its Cascade Branch. Rio Grande Pacific Corporation maintains a 100% equity interest in this property. Payette River Green Energy (PRGE) has been working with INPR regarding construction of a rail siding which is needed by Payette River Green Energy. This rail siding will not only serve PRGE but will also be available to all the businesses at the SBDC Industrial park. This amenity makes the lots much more attractive to businesses in need of rail access.

With a large manufacturing business to anchor the park, it is projected that additional, smaller businesses would locate at the park in the 5 remaining lots that are available for purchase, leading to additional job creation.

C. Project Description:

This project will take advantage of several converging elements occurring in Southwest Idaho. Over the last 10 years, 10 sawmills have been shut down in the area creating an inability to do Timber Stand Improvement because there is no market for the small logs and forest residue. The forest landowners need an outlet for small logs and forest residue as the area moves toward a ‘no burn’ goal and improved forest health.

The project takes a systematic and scalable approach with new and progressive technologies for wood utilization. The first phase is a new approach toward wood chip production that will use previously untapped species to further enhance complete residue utilization. The chip plant will produce 400 Tons of chips per day and 106,000 Tons of chips per year.

Phase II of this project will expand the plant to provide for a new technology pellet plant. There is a tremendous demand for pellets and buyers have been identified for all the pellets that can be produced. In order to make this project cost effective, it is imperative that the product be shipped by rail.

The Third Phase of this project is a cutting edge small log conversion facility that turns unwanted material (either by species or no value to cover harvest/hauling costs) into value added products. Production will be 250,000 board feet per day and 66 Million board feet of high quality square edged lumber for the lamination industry per year. This fits well with the first phase since all material from the small log conversion facility will go directly into chip and hog fuel production.

The project is a result of a 3 year due diligence effort. This effort identified the area and the technologies to utilize virtually every element of forest residue and logs that would come off each acre of thinnings and stand improvement.

Gem County is requesting assistance from the Department of Commerce to help fund the installation of a rail spur that will be utilized by PRGE and the SBDC Industrial Park. Idaho Northern Pacific Railroad has provided a cost estimate of \$ 350,000 a construction of a rail siding. The construction includes installation of 1,000 l.f. of track, a 131 lb #10 switch and ballast and sub-grade installation.

Gem County is also requesting funding assistance for the extension of 1,200 l.f. water and sewer line, extension of power and construction of 1,200 l.f. of roadway improvements which will allow trucks from Shadow Butte Industrial Park to access the rail siding.

The successful completion of this project is necessary to bring development and jobs into Gem County. The immediate need for the improvements is required by the Payette River Green Energy LLC. Without the improvements PRGE is prevented from beginning construction. With the completion of this development will also come the creation of 52 new jobs with additional job creation opportunities being generated through future commercial operations that will benefit from this project as well as construction jobs.

Please see Attachment D for a maps, site plan and pictures.

D. Project Land & Permits: Answer the following questions and attach documentation.

1. Has any land, buildings, easements or right-of-ways been purchased for this project?
☒ Yes ☐ No

How? Payette River Green Energy LLC (PRGE) has entered into a contract to purchase 48 acres of vacant land due north of the Shadow Butte Industrial Park

List the date of purchase March 13, 2009

2. Will any land, buildings, easements or right-of-ways be needed for this project?
☒ Yes ☐ No

Status of the purchase: Gem County will be donating an easement for the project where infrastructure will be constructed.

3. Is anyone living on the land or in the structures at the proposed site?
☐ Yes ☒ No

4. Is any business being conducted on the land or in the structures at the proposed site?
☐ Yes ☒ No

5. Are there any businesses, individuals, or farms being displaced as a result of this project?
☐ Yes ☒ No

6. Are there permits that will be needed for the project; i.e. well, water rights, land application, demolition permits, zoning permit, air quality permit, etc? ☒ Yes ☐ No

Status of the permits (include plan for securing permits): _____

PRGE is working with Gem County Development Services on rezoning to land to Heavy Industrial Use. No issues are anticipated as the use is compatible with the County Comprehensive Plan and the property is currently bordered by Heavy Industrial Zoned Land.

7. Describe the ownership/lease arrangements for the property involved in the project.

All improvements will be within the public right-of-way.

E. Imminent Threat Criteria: NA

IX. BUDGET NARRATIVE:

Gem County is requesting \$500,000 in grant funding to install 1,000 l.f. of rail siding, 1,200 l.f. of sewer and water line extension, and construction of a 1,200 road to allow Shadow Butte Industrial Park businesses to access the rail siding. Total cost of the public improvements and engineering is \$555,200.

Payette River Green Energy, LLC is purchasing 48 acres from Gem County for the sum of \$500,000. Payette River Green Energy is contributing \$400,000 and the remaining \$100,000 has been funded by Shadow Butte Development Corporation. The 48 acres has been valued at \$1,100,000, however, Gem County has reduced the price by \$600,000 as an incentive to attract Payette River Green Energy to locate in Gem County. Gem County has also agreed to donate a 60ft easement through their land to the boundary of the 48 acre site in which the extension of the utilities will be placed and the road constructed. This 60 ft easement donation is valued at \$20,000.

Shawn Charters Consulting has donated her grant writing services to the project valued at \$2,000. Please See **Attachment E** for cost estimates and sales contract on property.

Probable Project Costs:

Construction Rail Siding	\$ 350,000
Water, Sewer, Road Construction	\$ 152,000
Construction Contingency (10%)	\$ 15,200
Engineering	\$ 38,000
Land Purchase	\$ 500,000
Land Value Deduction	\$ 600,000
Donated 60 ft. Easement	\$ 20,000
Grant Admin	\$ 35,000
Grant Writing Donated	<u>\$ 2,000</u>
Total Costs	\$ 1,712,200

Probable Project Funding:

ICDBG	\$ 500,000
Shadow Butte Development Corporation	\$ 100,000
Payette River Green Energy	\$ 490,200
Gem County Land Value Donation	\$ 620,000
Shawn Charters Grant Writing Donation	<u>\$ 2,000</u>
Total Funding	\$1,712,200

X. ICDBG Budget Form

Applicant or Grantee: Gem County

Project Name: Payette River Green Energy Job Creation Project

LINE ITEMS	ICDBG Cash	County In-Kind	County Cash	Private In-kind	State*	Local* Cash SBDC	Private Cash	Other	Total
Administrative**	35,000								35,000
Land, Structures, Rights of Way			620,000			100,000	400,000		1,120,000
Engineering							38,000		38,000
Construction	465,000						52,200		517,200
Legal & Audit									
Interim Financing									
Grant Writing				2,000					2,000
TOTAL COSTS**	500,000		620,000	2,000		100,000	490,200		1,712,200

*Identify funding source

**Administrative expenses and project planning design costs, when totaled, shall not exceed 10% of the total ICDBG amount.

XI. Detailed Cost Analysis

1. Have preliminary plans and specs been submitted to regulatory agencies for review? ___Yes XNo
If yes, list date submitted: _____
If no, list expected date to be submitted: May 2009
2. Has final design (for bidding) begun? ___Yes XNo
If yes, % complete: _____%
If no, what is expected start date: June 2009
3. Will project include bid alternatives to meet project budget if necessary? XYes ___No
4. Are Davis Bacon wage rates applicable to the project? XYes ___No
If yes, are they included in the project costs? XYes ___No
5. Have known environmental measures been included in project costs? (ex: dust mitigation, archaeological survey, storm water drainage, wetland mitigation etc.)
There are no anticipated mitigation measures. XYes ___No
6. What percent of contingency has been included in project budget? 10%
7. List the last date the owner and design professional discussed project design and details.
Date: 3/16/09
8. Design Professional Cost Estimate may be found in Attachment E.

XII. Project Schedule

Project Activity	Date (to be) Completed	Documentation in Attachment
Grant Administrator Procured	April 2009	B
Eng/Architect Procured	March 2009	Private Funds
Other Funding Secured	NA	
Permits Identified & Secured	May 2009	
Sub recipient Agreement Drafted	NA	
Environmental Review Complete	April 2009	
Complete 504 Requirements	August 2008	
Complete Fair Housing Requirements	August 2008	C
Bids Advertised	June 2009	
Start Construction	June 2009	
Second Public Hearing	July 2009	
Certificate of Substantial Completion	September 2009	
Closeout	June 2010 – Jobs Created	

Payette River Green Energy Project Schedule

Project Activity	Date (to be) Completed	Documentation in Attachment
Grant Awarded	May 2009	
Planning & Zoning Approval	May 2009	
Ground Breaking Phase I	May 2009	
Construction Complete Phase I Start-up	July 2009	
Ground Breaking Phase II	July 2009	
Construction Complete Phase II Start-up	January 2010	
Ground Breaking Phase III	January 2010	
Construction Complete Phase III Start-up	May 2010	

Name of Professional and Agency Contacts	Firm/Agency	Phone	Topic
Lan Smith	Gem County Commissioners	365-4561	Planning
John Evans	Shadow Butte Development Corp.	365-8545	Planning
Shawn Charters	Grant Writing	741-1113	Planning
Shelly Gannon	Gem County Clerk	365-4561	Planning
Jeff Garver	Payette River Green Energy, LLC	541-231-9955	Planning
Morris Huffman	Biomass Coordinator	631-4082	Planning
Pat Madarieta	Idaho Department of Commerce	342-2470	Planning
Kit Kamo	Idaho Department of Commerce	342-2470	Planning
Bob Adams	Idaho Pacific Northern Railroad	365-6353	Planning
Bruce Evans	City of Emmett	365-9569	Public Works
Kim Reed	Gem County Road & Bridge	365-3305	Planning

XIII. Grantee and Sub-recipient Financial Profiles

Is the Grantee a (circle one)

City

County

If a sub-recipient, what type of Organization (circle one)

Water District

Sewer District

Homeowner's Association

For-Profit Company

Non-Profit Company

Water Association

Fire District

Hospital District

Other (please explain):

**INSTRUCTIONS

For all projects complete Sections III & IV

For all projects that pertain to water complete Section I, III, & IV.

For all projects that pertain to sewer complete Section II, III & IV.

Section I. Water System (only) - Input information for the water system (entity) that is expected to utilize the Idaho Community Block Grant funds.

Water Source(s): ___ Wells ___ River ___ Lake ___ Springs
___ Purchase ___ Other

Water Treatment Method _____

Number of people served by the system _____

Number of hook-ups on the system _____

Number of equivalent dwelling units
(EDU's) on the system _____

Number of residential EDUs _____

Number of commercial EDUs _____

Number of industrial EDUs _____

Number of Wells _____

Number of Fire Hydrants _____

Storage Reservoir (gallons) _____

Water piping (linear feet) _____

Are all system users on meters _____

Are meters consistently read _____

For residential users, what is the average monthly

Water rate for 10,000 gallons \$ _____

When was the last rate increase _____

How much were the rates increased \$ _____

Annual water system revenue \$ _____

Current funds in capitol improvement account \$ _____

Current funds in reserve fund \$ _____

Total dollar amount owed by customers in arrears \$ _____

Annual water system expenses \$ _____

Residential Hook-Up Fee	\$ _____
Commercial Hook-up Fee	\$ _____
Industrial Hook-Up Fee	\$ _____

Value and description of assets:

Land	\$ _____
Buildings	\$ _____
Equipment	\$ _____
Other	\$ _____
Total Asset Value	\$ _____

Identify outstanding indebtedness:

Years remaining	Annual Payment	Lender
_____	_____	_____
_____	_____	_____
_____	_____	_____

Explain Water Conservation Methods Implemented: _____
_____.

Section II. Sewer System (only) Input information for the sewer system (entity) that is expected to utilize the Idaho Community Block Grant funds.

Sewer Treatment Method _____

Do you have a Pre-treatment system? ☐ Yes ☐ No

Number of people served by the system	_____
Number of residential connection on the system	_____
Number of commercial connection on the system	_____
Number of industrial connection on the system	_____
Number of new connections within the last year	_____
Treatment System capacity (million gallons)	\$ _____
Sewer piping (linear feet)	_____
Number of lift stations	_____
What are the current residential sewer rates	\$ _____
When was the last rate increase	_____
How much were the rates increased	\$ _____
Residential Connection Fee	\$ _____
Commercial Connection Fee	\$ _____
Industrial Connection Fee	\$ _____

Annual sewer system revenue	\$ _____
Current funds in reserve account	\$ _____
Current funds in capitol improvement account	\$ _____
Current dollar amount owned by customers in arrears	\$ _____

Annual sewer system expenses	\$ _____
-------------------------------------	----------

Land	\$ _____
Buildings	\$ _____
Equipment	\$ _____
Other	\$ _____
Total Asset Value	\$ _____

Years remaining	Annual Payment	Lender
_____	_____	_____
_____	_____	_____
_____	_____	_____

A. Identify how the organization obtains its operating funding, i.e., bonds, district assessments, other:
Taxes, licenses and permits, Intergovernmental sources, fees for service, motor users revenue and interest.

B. Does the organization have taxing authority? X Yes ___ No (if no, skip to Section IV)

I. Do you tax? X Yes ___ No

a) If yes:

(1) What is the tax rate? .003712201

(2) What is the annual tax amount generated? \$3,298,849

(3) What are the taxes used to pay for, i.e. equipment, operating expenses, etc.? Salaries, operating expenses, capital

II. If your organization does not tax explain why. N/A

Grantee Financial Summary (based on most current audit report)

Taxes	\$ 3,719,694
Licenses and Permits	\$ 1,194,208
Intergovernmental	\$ 2,022,626
Charge for Services	\$ -
Miscellaneous	\$ 785,816
Other _____	\$ 1,343,020

16

Expenses

Total Annual Expenditures

\$8,686,938

Section V. All Applicants

Grantee Growth Management Planning

When was the comprehensive plan last updated? June 2007

Which of the following tools do you implement as land use measures and controls?

	Yes	No
Building Codes	<u>X</u>	<u> </u>
Historical Preservation	<u> </u>	<u>X (taken into consideration)</u>
Conventional Zoning Ordinances	<u>X</u>	<u> </u>
Other Zoning Options: (see below)		
Bonus or Incentive Zoning	<u>X</u>	<u> </u>
Example: allows for increased residential densities if developer will include affordable housing options		
Transfer of Development Rights	<u> </u>	<u>X</u>
Example: transfer development rights to areas where development is wanted and to restrict it in areas where it is not		
Planned Unit Development (PUD)	<u>X</u>	<u> </u>
Example: allows for creative and innovative design at same time creating amenities for public benefit. (mixed use development)		
Development Agreements	<u>X</u>	<u> </u>
Contract between municipality and developer. Municipality specifies what the developer may do and what they are required to do within project area.		

Do you currently implement any of the following?

	Yes	No
Economic Development Plan	<u>X</u>	<u> </u>
Development Impact Fees	<u> </u>	<u>X</u>
Local Option Tax (resort)	<u> </u>	<u>X</u>
Toll roads	<u> </u>	<u>X</u>
Distance Based Impact Fees	<u> </u>	<u>X</u>
Tree City USA	<u> </u>	<u>X</u>

XIV. Community Demographic Profile

Instructions: Complete the un-shaded areas using census data for the city/county applicant.

The census data can be located on our Web site at: <http://community.idaho.gov>

Name of Applicant: Gem County.

	Total Pop. In Area
TOTAL POPULATION BENEFITED (if different from city/county population in census)	
TOTAL POPULATION IN APPLICANT'S AREA	15,181
Male	7,541
Female	7,640
White	14,238
Percent of Population	93.7
MINORITY POPULATION	
Black/African American	11
American Indian/Native Alaskan	111
Asian	54
Native Hawaiian or Pacific Islander	30
American Indian/Alaskan Native and White	248
Asian and White	108
Black/African American and White	33
American Indian/Alaskan Native and Black/African American	278
Other Mulit-Racial	575
Hispanic	1050
TOTAL MINORITY	2,498
Percent of Population	16.5
SENIOR CITIZENS	
Total Persons 65 Years and Over	2,374
Percent of Population	15.6
DISABILITY STATUS	
Civilian Non-institutionalized Population 16 to 64	1,668
Percent with a Work Disability	10.9
Civilian Non-institutionalized Population 65 Years and Over	2,289
Percent with a Disability	15
FEMALE HEAD OF HOUSEHOLD	
Total Households	5,539
Female Householder, No Husband Present	465
Percent of Households	8.3

Review and Ranking Narrative:

II.A Quality of New or Retained Jobs:

100% Percentage of full-time equivalent jobs that exceed average county/state wages

\$24,163 County's average annual wage. According to the U.S. Census, Gem County Per Capital Income for 2006 was \$24,163.

The average annual income in Gem County is \$24,163. According to the proposed wage scale for PRGE operation all employees will earn wages equivalent to and higher than the average income for Gem County.

II.B Fringe Benefits:

Answer the following:

Please indicate which fringe benefits are offered and what is the employer contribution (E/C)?

If part-time (P/T) employees are eligible for benefits, please indicate what benefits and at what rates.

X Vacation E/C: F/T 1 week after 1 yr employment, 2 weeks after 2 yrs employment P/T NA

X Sick Time E/C: F/T 3 Personal Days/Year P/T _____

X Disability E/C: F/T Workmen's Compensation P/T _____

X Holiday E/C: F/T 3 Personal Days/Year P/T _____

X Death/Funeral E/C: F/T 3 Personal Days/Year P/T _____

X Health Insurance

X Medical E/C: F/T Fully paid for employee/employee pays dependents cost P/T _____

X Dental E/C: F/T Fully paid for employee/employee pays dependents cost P/T _____

X Vision E/C: F/T Fully paid for employee/employee pays dependents cost P/T _____

____ 401K Employer contribution rate regardless of employee contribution: F/T____ P/T_____

____ 401 K Employer match rate F/T____ P/T____

X 401 K No employer contribution (Employer will provide a cafeteria plan where contribution can be taken out pre-taxed, however employer will not contribute)

II.C Business Risk and Management:

Savannah Pacific is an existing company located in Molalla, Oregon. Jeff Garver, President has been researching Idaho for quite some time and has decided to purchase property in Gem County to locate his new business "Payette River Green Energy, LLC" (PRGE). PRGE is a start-up business so financial information will not be available for PRGE. Jeff Garver will be leaving Savannah Pacific and locating with his family to Emmett where he will head up PRGE's operations. Mr. Garver will be personally involved in the development and long term management of this specific

facility. A company business plan has been prepared and financial statements will be forwarded to Pat Madarieta at the Idaho Department of Commerce under separate cover by April 1, 2009.

Mr. Garver has also been working with Morris Huffman, Biomass Coordinator for Southwest Idaho. They have prepared a request for Federal Stimulus funding which has made it through to Washington DC. If awarded, this funding will provide PRGE with \$6,000,000 for start-up of their project in Gem County.

II.D Planning, Schedule and Cost:

PRGE Project is a result of a 3-year due diligence process. The company has been actively involved with several State, County and Local organizations as they have sought a suitable location for the project.

- 1) The Idaho Department of Commerce; Grants and Bonds
- 2) Several Counties as they have investigated adequate sized properties.
- 3) Rail; both the UP and Idaho Northern & Pacific.
- 4) USFS Payette and National Forests on raw material availability.
- 5) State of Idaho Department of Lands on raw material availability.
- 6) Potlatch Corporation on raw material availability.
- 7) Idaho DEQ on requirements for the project.
- 8) Gem County; Joint Venture on the 48 acre property.
- 9) Gem County; Easement access for water/sewer/utilities from the Shadow Butte Industrial Park.

Gem County and Shadow Butte Development Corporation have been instrumental in helping with the selection process of the 48 acre site adjacent to the Industrial Park. They have worked through three different properties, negotiated with an adjacent private landowner and pulled everything together in time to submit this request for grant funds to put infrastructure to the site and rail into the site that will be accessible to future businesses that could come into the Shadow Butte Industrial Park.

PRGE has also been in contact with both the State Representative State Senator for the area and the Lieutenant Governor who have pledged their support to the project. Both National Senators and the Congressman for the area have been briefed and pledged support on a National level.

PRGE has also worked with Morris Huffman, Biomass Coordinator to bring this project to fruition. Pat Madarieta and Kit Kamo with the Idaho Department of Commerce have met with the County onsite to answer specific questions and have provided ongoing guidance. PRGE has hired Forsgren Engineering and Gem County has requested proposals for Administrative Services be submitted for the project. Grant Administrative services will be awarded by April 7th and the project is ready to proceed.

II.E Minority Benefit:

0 Percentage of minority workers on the business' current payroll
7.2% Percentage of minority population in the county where the business will be locating

Savannah Pacific's operation in Molalla, Oregon currently employs approximately 75% minorities. The PRGE facility planned here in Gem County is expected to hire approximately 10% minority employees simply due to the lack of minority population base available.

II.F Local Investment Leverage:

Does your community have a revolving loan fund? _____ Yes X No
If yes, please describe any attempts to secure funds.

Gem County does not have a revolving loan fund however, Shadow Butte Development Corporation has funding available that is targeted at creating jobs in Gem County. Shadow Butte Development Corporation has agreed to dedicate \$100,000 toward the purchase of the 48 acre site in Gem County. PRGE has agreed to purchase the site for \$500,000. Gem County was originally requesting \$1,100,000 for the site, but has discounted it \$600,000 in order to meet the business needs. Gem County will also be donating an easement valued at \$20,000.

II.G Distressed Area:

Is the community located in a historically underutilized business zone? X Yes ___No

Gem County is classified as a HUB zone. The unemployment rate for Gem County in January 2009 was 9.5% which is the 3rd highest in the 10 counties in Southwestern Idaho (Region III). The only counties with higher unemployment rates are Adams and Valley Counties. Gem counties unemployment rate is significantly higher than the State Average of 5.5%.

II.H Existing Idaho Business:

Describe the business' presence in Idaho. Be sure to answer all questions set forth in the directions.

Payette River Green Energy is a start-up business that currently has no Idaho presence.

II. I Private Leverage: Describe the private financial commitment to the project.

The PRGE project has three phases. The investment for each phase is as follows:

- 1) Phase I is the development of the property, infrastructure from the Industrial Park, the rail spur, the office, scales and the chip/hog fuel facility. This phase of the project will cost \$1,000,000.
- 2) Phase II is the Pellet Plant. This will include the dryers, storage facilities, pellet die process, bagging & loading system. This phase of the project will cost \$6,000,000 for a 12 Ton/hour pellet plant.
- 3) Phase III is the small log sawmill. This will include the debarker, transfer equipment, headrig, resaw, kilns, planer, sorter, stacker and rolling stock. This phase of the project will cost \$4,000,000 for a small log sawmill that will produce 125,000 board feet per shift.

The total cost of private investment from PRGE is \$11,000,000.

II.J. Activities:

All ICDBG funds will be applied to project construction and grant administration services.

II.K. Grant Management: Gem County has issued an RFP for Grant Administration Services and will select a “Certified Grant Administrator” by April 7, 2009.

VII. CERTIFICATIONS

I certify the data in this application is true and correct, that this document has been duly authorized by the governing body of the City of Emmett and we will comply with the following laws and regulations if this application is approved and selected for funding.

- National Environmental Policy Act of 1969
- Civil Rights Act of 1964 Pub.L 88-352
- Civil Rights Act of 1968 Pub.L 90-284
- Age Discrimination Act of 1975
- Rehabilitation Act of 1973, Section 504
- Uniform Relocation Assistance and Real Property Acquisition Act of 1970, as amended (49 CFR Part 24)
- Housing and Community Development Act of 1974, as amended Pub.L 93-383
- Davis-Bacon Act (40 USC 276a - 276a-5)
- Historic Preservation Act
- OMB Circular A-87, and ensure that sub-recipient complies with A-110 and A-122
- Section 106 of the Housing and Urban Recovery Act of 1983 certifying to:
 - Minimize displacement as a result of activities assisted with CDBG funds by following the Idaho Department of Commerce & Labors anti-displacement and relocation assistance plan;
 - Conduct and administer its program in conformance with Title VI and Title VIII, and affirmatively further fair housing;
 - Provide opportunities for citizen participation comparable to the state's requirements (those described in Section 104(a) of the Act, as amended);
 - Not use assessments or fees to recover the capital costs of ICDBG funded public improvements from low and moderate income owner occupants;
 - Abide by all state and federal rules and regulations related to the implementation and management of federal grants;
 - Assess and implement an Accessibility Plan for persons with disabilities in accordance with Section 504 of the Rehabilitation Act of 1973, as amended;
 - Adopt and implement an Excessive Force Policy;
 - Prohibition of Use of Assistance for Employment Relocation, Section 588 of the Disability Housing and work Responsibility Act of 1998 Pub.L 105-276.
 - Anti-Lobbying Certification: No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned to any person for influencing or attempting to influence an officer or employee of any federal agency, a member of, employee of a member of, officer of or employee of Congress in connection with the awarding of any federal contract, the making of any federal grant or loan, the entering into any cooperative agreement and the extension, renewal, modification or amendment of any federal contract, grant, loan or cooperative agreement.

If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any federal agency, a member of, employee of a member of, officer of or employee of Congress in connection with this federal grant, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Signed by Chief Elected Official

March 16, 2009
Date

Lan Smith, Chairman, Gem County Commissioners
Typed Name

XVIII. ICDBG Environmental Scoping - Field Notes Checklist

Applicant Gem County Sub Recipient NA

This site and desk review checklist is to be completed by the Applicant and submitted with the application.

The purpose of the checklist is to help the Applicant and ICL better understand what environmental statutes or provisions per 24 CFR 58 might impact the proposed project. The information will assist in understanding what studies, documentation, and mitigation measures could be applicable and to assist in completing the environmental review record. The Applicant may choose to attach this scoping checklist as part of the environmental review record.

1. Limitations on Activities

Is the Grantee planning or in the process of acquiring property for this proposed project? X Yes ___ No

If yes, is the Applicant aware that land acquired or site work after submission of the ICDBG application is subject to 24 CFR 58.22 Limitation on Activities Requiring Clearance? Meaning once an application for ICDBG funds is submitted, neither Applicant or sub recipient, may commit Non-HUD funds to a project for land acquisition or site work (except for minor testing) before the environmental review is complete, unless the land acquisition or contract is conditioned on completion of the ICDBG environmental review.

2. Historic Preservation

Has the SHPO been notified of the project? ___ Yes X No

Have tribes with possible cultural and religious sites been notified of the project? ___ Yes X No

3. Floodplain Management

Is the project located within a floodway or floodplain designated on a current FEMA map? Check Web site <http://store.msc.fema.gov/> ___ Yes X No ___ Not Sure

If yes, is the community where the project is taking place a participant in the National Flood Insurance Program. Check Web site www.idwr.idaho.gov/water/flood ___ Yes ___ No

4. Wetland Protection

Are there ponds, marshes, bogs, swamps, drainage ways, streams, rivers, or other wetlands on or near the site? ___ Yes X No

If yes, has the Army Corps of Engineers (ACoE) been notified? ___ Yes ___ No

5. Sole Source Aquifers (Clean Water Act)

Is proposed aquifer located over an EPA designated aquifer area? ___ Yes X No

6. Endangered Species Act

Has U.S. Fish and Wildlife Service, NOAA Fisheries, and Idaho Fish and Game Regional Office been notified about the project? ___ Yes X No

7. Wild and Scenic Rivers Act

Is the project located within one mile of a designated wild and scenic river? Idaho wild and scenic rivers include portions of the St. Joe, Lochsa, Selway, Middle Fork of the Clearwater, Snake, Rapid, and Middle Fork of the Salmon. Check Web site www.nps.gov/rivers/ ___ Yes X No

8. Clean Air Act

Is the project located in a designated non-attainment area for criteria air pollutants? ___ Yes X No

For building demolition or improvements has an asbestos analysis been planned for or conducted?

___ Yes ___ No X N/A

For housing rehabilitation has a lead based paint assessment been planned for or conducted?

___ Yes ___ No X N/A

9. Farmland Protection Policy Act

Is the project located on a site currently zoned as residential, commercial, or industrial? X Yes ___ No

Is the project area currently being utilized for farm or agricultural purposes ? ___ Yes X No

If yes, has the USDA Natural Resource Conservation Service or local planning department been notified about the project? ___ Yes ___ No

10. Environmental Justice

Does project have a disproportionate environmental impact on low income or minority populations?

___ Yes X No

11. Noise Abatement and Control

Is the project new construction or rehabilitation of noise sensitive use (i.e. housing, mobile home parks, nursing homes, hospitals, and other uses where quiet is integral to the project functions)?

___ Yes X No

If yes is the project located within 5 miles of an airport, 1000 feet of a major highway or busy road, or 3,000 feet of a railroad. ___ Yes ___ No

12. Explosive and Flammable Operations

Is the physical structure (not necessarily infrastructure) intended for residential, institutional, recreational, commercial or industrial use? ___ Yes X No

If yes, are there any above ground explosive or flammable fuels or chemical containers within one mile of the physical structure? ___ Yes ___ No

If yes, have you been able to identify what the container is holding and the container's size?

___ Yes ___ No

13. Toxic Chemicals and Radioactive Materials

Are there any known hazardous materials, contamination, chemicals, gases, and radioactive substance on or near the site? ___ Yes X No

If yes, explain _____

During the visual inspection of the site is there signs of distressed vegetation, vents or fill pipes, storage/oil tanks, stained soil, dumped material, questionable containers, foul or noxious odors, etc.

___ Yes X No

If yes, explain _____

At this time is the site's previous uses known to have been gasoline stations, train depots, dry cleaners, agricultural operations, repair shops, landfill, etc.? ☐ Yes ☒ No

Are other funding agencies requiring the Grantee to perform an American Society for Testing Materials (ASTM) environmental assessment? ASTM assessment involves analysis of site uses and ownership, inspection of site, and possible testing. ☐ Yes ☒ No

14. Airport Clear Zones and Accident Potential Zones

Is the project located within a designated airport runway clear zone or protection zone? ☐ Yes ☒ No

Does the project involve acquisition of land or construction/rehabilitation of building or infrastructure in an airport runway clear zone or protection zone? ☐ Yes ☒ No

If yes, is the grantee aware that the airport operator may wish to purchase the property at some point in the future as part of a clear or accident zone acquisition program? ☐ Yes ☐ No

15. Other Environmental Reviews

Have facilities studies or other environmentally related site reviews been conducted or in the process of being conducted? ☒ Yes ☐ No

If yes, are there any identified concerns or recommended mitigation measures? ☐ Yes ☒ No

List if known - The Environmental Review process for ICDBG Funding has begun. Letters will be mailed out March 20, 2009 requesting comments.

16. Information Letters

The advanced mailing of environmental information letters is sought in an effort to minimize the project's timeline in waiting for necessary documentation or information. It will also assist in earlier responses to required mitigation measures should the proposed project receive ICDBG funding.

Place a check mark by the agencies that have been mailed an environmental information letter.

- ☒ Idaho State Historic Preservation Officer
- ☒ Tribal Historic Preservation Officer or Tribal Office
- ☒ Idaho Department of Water Resources
- ☒ Army Corps of Engineers (if wetlands are applicable)
- ☒ U.S. Fish and Wildlife
- ☐ NOAA Fisheries (if salmon and/or steelhead are applicable)
- ☒ Idaho Fish and Game
- ☒ USDA Natural Resource Conservation Service (if farmlands are applicable)
- ☒ Idaho Department of Environmental Quality
- ☒ Local Government – Planning Department
- ☒ Others Environmental Protection Agency, Idaho Transportation Department, HUD, Department of Lands, Idaho Parks and Recreation,

Letters to the above marked agencies will be mailed out March 20, 2009.

Completion of the scoping checklist does not constitute that all environmental provisions or clauses related to 24 CFR 58 Environmental Reviews have been met or are known at this time.

Shawn Charters
Completed By

March 16, 2009
Date